RECO
Real Estate Council of Ontario

File #2024050284

IN THE MATTER OF A DISCIPLINE PROCEEDING HELD PURSUANT TO THE *TRUST IN REAL ESTATE SERVICES ACT, 2002*

BETWEEN:

REAL ESTATE COUNCIL OF ONTARIO

- AND -

ANSAB KHALIL CHAUDHRY

DISCIPLINE DECISION AND REASONS FOR DECISION

Subject to Rule 4.02 of the Discipline Committee Rules of Practice (*TRESA 2002*), I, the Chair of the Discipline Committee (*TRESA 2002*) have reviewed and considered the Agreed Statement of Facts and Penalty together with the Waiver of Hearing submitted by the Parties to this proceeding and provide the following Order:

FINDINGS:

In violation of Sections 1 and 2(a)(b) of the *TRESA 2002* Code of Ethics.

In violation of Sections 30(1)(a) of the General Regulation.

In violation of Sections 13(3) of the Educational Requirements, Insurance Records and Other Matters.

In violation of Sections 12(2), 21.2(10) and 40(1)(a) of the Act.

ORDER:

Fine of $15,000.00 payable to RECO within six (6) months after the date of the Decision of the Discipline Committee on this matter: April 15, 2027

Fine of $5,000.00 payable to RECO within 30 days after the date of the Decision of the Discipline Committee on this matter: November 17, 2026

Successful completion of the RECO "*CE Professional Practice*" course not later than three (3) months after the date of the Decision of the Discipline Committee on this matter, and to provide proof of completion to RECO within 30 days of completion of the course.

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CHAUDHRY, Ansab Khalil, is ordered and agrees that the following conditions will apply to his registration for a period of five (5) years commencing from the date of the Decision of the Discipline Committee on this matter:

a. CHAUDHRY, Ansab Khalil, agrees not to be, or apply to be, a broker of record or be involved in the supervision or direction of a broker, salesperson, or any person employed by a real estate brokerage,

b. CHAUDHRY, Ansab Khalil, agrees not to have signing authority or be designated as an alternate signing authority on any statutory trust account of a real estate brokerage, and

c. CHAUDHRY, Ansab Khalil, agrees that if he seeks to transfer his registration to another real estate brokerage while these conditions are still in effect, he agrees to notify the new brokerage of these conditions in writing prior to the transfer of registration.

WRITTEN REASONS: *attached*



Lucy Aita
Chair, Discipline Committee (*TRESA 2002*)

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REASONS FOR DECISION

INTRODUCTION

This matter proceeded on the basis of an Agreed Statement of Facts and Penalty and Waiver of Hearing, pursuant to Rule 4.02 of the Rules of Practice (*TRESA 2002*).

The Agreed Statement of Facts and Penalty read:

AGREED STATEMENT OF FACTS AND PENALTY

It is agreed as follows:

1. At all relevant times, Chaudhry was employed as the broker of record and was the sole shareholder at the brokerage Global West Realty Limited (the "**Brokerage**"). Chaudhry is currently employed as a broker at the brokerage Bay Street Group Inc.

2. Chaudhry, at all relevant times, had signing authority over the Brokerage's real estate trust account ("**RETA**"), commission trust account ("**CTA**") and general account ("**GA**").

3. In June 2024, RECO conducted an onsite inspection (the "**Inspection**") of the Brokerage.

4. The Inspection found that between February 2024 and May 2024, Chaudhry failed to ensure that the Brokerage complied with the *Trust in Real Estate Services Act, 2002* (the "**Act**") and its regulations, resulting in the misuse of trust funds, instances of trust shortages, untimely trust reconciliations, incomplete records and inaccurate disclosures to the Registrar.

5. More specifically, the Inspection found the following mishandling of real estate trust funds:

    a) On or about February 15, 2024, a deposit of $6,800.00 relating to a lease transaction was deposited into the CTA instead of the RETA.

    b) On or about March 1, 2024, $30,000.00 was unlawfully disbursed from the RETA, and loaned to 10619337 Canada Inc., a non-brokerage corporation. The improper withdrawal created a shortfall in the Brokerage's RETA that persisted until approximately April 23, 2024, when the funds were replaced. During the inspection, Chaudhry stated that the transfer was done in error and the funds should have been withdrawn from the GA. However, Chaudhry's explanation was inaccurate as the GA possessed a balance of only $8,956.17 on March 1, 2024.

c) On or about April 19, 2024, $500.00 was transferred from the RETA to the GA. During the inspection, Chaudhry stated that the transfer was done in error. However, Chaudhry's explanation was inaccurate as the transfer was likely done to cover an overdraft in the GA.

6. Further, the Inspection found several deficiencies in the Brokerage's operations and record-keeping, including the following:

   a) Monthly trust reconciliations were not being prepared properly, or otherwise in a timely matter or at all;

   b) Multiple shortages in the RETA, that were not reported to RECO, including:

      - $1,076.58 (February 2024);
      - $37,298.49 (March 2024); and
      - $7,102.24 (April 2024).

   c) Incomplete trade documentation for a transaction located at 573 Boyd Lane West in Milton, Ontario;

   d) Failure to properly track and disclose interest earned on trust funds;

   e) Failure to complete and/or sign trade record sheets relating to several transactions;

   f) Advertising materials contained inaccurate representations of registration statuses of certain registrants; and

   g) False Information in an Application for Registration

7. On or about May 29, 2024, Chaudhry submitted a Brokerage Renewal Application to RECO and responded "No" to questions asking whether the Brokerage had unpaid judgments or Canada Revenue Agency debt.

8. At the time of submission, the Brokerage was subject to a Canada Revenue Agency garnishment relating to significant tax liabilities totalling approximately $350,000.00 in arrears.

SUMMARY OF AGREEMENTS

It is agreed that Chaudhry failed to comply with the Act and/or Regulations as follows:

A. Chaudhry failed to ensure that the Brokerage complied with the Act, when he caused unlawful disbursements from the RETA, contrary to section 12(2) of the Act and sections 1 and 2 of the Code of Ethics.

B. Chaudhry provided false information to RECO in the course of an inspection regarding the nature of the unlawful disbursements from the RETA, contrary to section 21.2(10) of the Act and section 2 of the Code of Ethics, O. Reg. 365/22.

C. Chaudhry failed to ensure that the Brokerage complied with the Act, when he failed to report shortfalls in the Brokerage's RETA, contrary to section 12(2) of the Act and sections 1 and 2 of the Code of Ethics.

D. Chaudhry, when acting as broker of record, failed to actively participate in the management of the Brokerage and failed to ensure an adequate level of supervision for the brokers, salespersons and other persons employed by the Brokerage, resulting in multiple instances of unlawful disbursements, trust shortages, untimely reconciliations and incomplete records, contrary to section 30(1)(a) of O. Reg. 567/05: General and section 2 of the Code of Ethics, O. Reg. 365/22.

E. Chaudhry, when acting as broker of record, failed to ensure that the Brokerage prepared monthly reconciliation statements of the RETA, and therefore failed to review and sign said monthly reconciliation statements, contrary to section 13(3) of O. Reg. 579/05, Educational Requirements, Insurance Records and Other Matters and section 2 of the Code of Ethics, O. Reg. 365/22.

F. Chaudhry, when acting as broker of record, failed to ensure that the Brokerage complied with various operational and/or record-keeping requirements, as particularized above, contrary to section 12(2) of the Act and section 2 of the Code of Ethics, O. Reg. 365/22.

G. Chaudhry, when acting as broker of record, on behalf of the Brokerage, provided false information in an application for registration in relation to outstanding debts, contrary to section 40(1)(a) of the Act and section 2 of the Code of Ethics, O. Reg. 365/22.

It is agreed that Chaudhry failed to comply with the following sections of the Act:

Broker of Record (Duties)

12(2) The broker of record shall ensure that the brokerage complies with this Act and the regulations.

No obstruction

21.2(10) No person shall obstruct an inspector conducting an inspection or a person accompanying the inspector under subsection (3) or withhold from the inspector or other person or conceal, alter or destroy any record or other thing that is relevant to the inspection.

Offence

40 (1) A person is guilty of an offence who,

(a) furnishes false information in any application under this Act or in any statement or return required under this Act;

It is agreed that Chaudhry failed to comply with the following sections of O. Reg. 365/22: Code of Ethics:

Integrity, honesty, good faith, etc.

1. In carrying on business, a registrant shall act with courtesy, honesty, good faith and integrity in relation to every person the registrant deals with.

Unprofessional conduct, etc.

2. A registrant shall not engage in any act or omission that, having regard to all of the circumstances, would reasonably be regarded as,

(a) being disgraceful, dishonourable, unprofessional or unbecoming a registrant; or

(b) likely to bring the sector into disrepute or to undermine public confidence in the regulation of registrants under the Act.

It is agreed that Chaudhry failed to comply with the following sections of O. Reg. 567/05: General:

Broker of Record

30(1) A broker of record shall,

(a) actively participate in the management of the brokerage;

(b) ensure an adequate level of supervision for the brokers, salespersons and other persons employed by the brokerage

It is agreed that Chaudhry failed to comply with the following sections of O. Reg. 579/05: Educational Requirements, Insurance, Records and Other Matters:

Monthly reconciliation

13(3) The brokerage's broker of record shall, within the time referred to in subsection (1),

(a) review the reconciliation statement; and

(b) sign and date the reconciliation statement to indicate that he or she has reviewed it.

AGREED PENALTY

The Respondent, Chaudhry, understands and agrees to the following conditions and penalty:

1. Chaudhry will pay a fine of $15,000.00 payable within six (6) months after the date of the Decision of the Discipline Committee on this matter, including $5,000.00 within 30 days after the date of the Decision of the Discipline Committee on this matter.

2. Chaudhry will successfully complete the RECO "CE Professional Practice" course not later than three (3) months after the date of the Decision of the Discipline Committee on this matter. Chaudhry will provide proof of completion to RECO within 30 days of completion of the course.

3. Chaudhry agrees that the following conditions will apply to his registration for a period of five (5) years commencing from the date of the Decision of the Discipline Committee on this matter:

    a. Chaudhry agrees not to be, or apply to be, a broker of record or be involved in the supervision or direction of a broker, salesperson, or any person employed by a real estate brokerage;

    b. Chaudhry agrees not to have signing authority or be designated as an alternate signing authority on any statutory trust account of a real estate brokerage; and

    c. If Chaudhry seeks to transfer his registration to another real estate brokerage while these conditions are still in effect, Chaudhry agrees to notify the new brokerage of these conditions in writing prior to the transfer of registration.

Respondent acknowledgements:

1. I, Ansab Chaudhry, acknowledge that I have read and understand the penalty and conditions outlined herein and agree to the said terms and conditions.

2. I, Ansab Chaudhry, acknowledge my right to seek legal counsel in this matter before signing this agreement.

3. I, Ansab Chaudhry, agree, understand, acknowledge and consent to waiving my right to a hearing before the Discipline Committee.

Waiver of hearing before the Discipline Committee:

4. The parties consent to disposing of the matter without a hearing before the Discipline Committee and agree to the terms set out herein.

5. The parties request an Order from the Chair of the Discipline Committee that includes this Agreement of Facts and Penalty as a final settlement of this matter.

By signature below the Parties agree, acknowledge, understand and consent to the final settlement of this matter by way of this Agreed Statement of Facts and Penalty.

[The Parties duly signed the Agreed Statement.]

DECISION OF THE CHAIR

Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee (TRESA 2002) concluded that the Respondent breached Sections 1 and 2(a)(b) of the TRESA 2002 Code of Ethics; and Section 30(1)(a) of the General Regulation; and Section 13(3) of the Educational Requirements, Insurance Records and Other Matters; and Sections 12(2), 21.2(10) and 40(1)(a) of the Act.

The Chair of the Discipline Committee (TRESA 2002) is also in agreement with the joint submission of the Parties as to penalty and accordingly makes the following order:

1. CHAUDHRY, Ansan Khalil, is ordered to pay a fine in the amount of $15,000.00, payable to RECO within six (6) months after the date of the Decision of the Discipline Committee on this matter, including $5,000.00 payable within 30 days after the date of the Decision of the Discipline Committee on this matter.

2. CHAUDHRY, Ansan Khalil, is ordered to successfully complete the RECO "*CE Professional Practice*" course not later than three (3) months after the date of the Decision of the Discipline Committee on this matter, and to provide proof of completion to RECO within 30 days of completion of the course.

3. CHAUDHRY, Ansan Khalil, is ordered and agrees that the following conditions will apply to his registration for a period of five (5) years commencing from the date of the Decision of the Discipline Committee on this matter:

a. CHAUDHRY, Ansan Khalil, agrees not to be, or apply to be, a broker of record or be involved in the supervision or direction of a broker, salesperson, or any person employed by a real estate brokerage,

b. CHAUDHRY, Ansan Khalil, agrees not to have signing authority or be designated as an alternate signing authority on any statutory trust account of a real estate brokerage, and

c. CHAUDHRY, Ansan Khalil, agrees that if he seeks to transfer his registration to another real estate brokerage while these conditions are still in effect, he agrees to notify the new brokerage of these conditions in writing prior to the transfer of registration.

Released: October 15, 2026